



John G. McClelland
Principal

CONSTRUCTION MANAGEMENT
GENERAL CONTRACTING
CONSULTING

Short Form
Agreement
between
innobuilding &
consulting, inc.
and Burbank
Housing
Corporation



This Agreement is effective September 2010 between Burbank Housing Corporation ("Client") and innobuilding & consulting, inc. ("ibc") for the performance of professional services for project and construction management services to refurbish the property located at 2223-2235 North Catalina, Burbank, Ca. 91504 ("Project").

Client has invested in a parcel with a proposed development of twenty-three new units [23] units with subterranean parking, herein known as the "Project".

1. Performance of Services

1.1 Upon execution of this Agreement, ibc shall perform the following services:

Construction Management Services as required, the scope and specific conditions as outlined in Exhibit "A", attached hereto and made a part thereof. ("Services")

Services in addition to those described above shall be performed on the basis agreed in writing between ibc and the Client.

1.2 ibc shall perform the Services in accordance with the standard of practice generally accepted in its profession for similar projects and services.

1.3 No warranties, expressed or implied, are given by ibc in connection with its performance of services on this Project. Services performed on this Project are based on ibc's understanding of applicable laws and regulations as interpreted and applied on the date of this Agreement.

1.4 ibc hereby agrees to indemnify and hold the Client and any subsidiary, parent or affiliate corporations of the Client, and their directors, officers, agents, employees and designees (collectively, the "Indemnitees") harmless from all losses, claims, liabilities, damages and expenses, including

reimbursement of reasonable attorneys' fees and costs, that the Indemnitees may incur by reason of any damage sustained to property (including, but not limited to any one or more of the Indemnitees to the extent arising out of ibc's, or for those whose acts ibc is legally liable, wrongful acts, negligence, errors, or omissions while engaged in the performance of the Project, except to the extent caused by the negligence or willful misconduct of the Indemnitees or their partners, agents or associates.

1.5 The parties waive all subrogation rights against each other and any of their contractors, consultants, sub-contractors, sub-consultants, agents and employees (collectively "Subrogation Entities"). The parties shall require all Subrogation Entities to enter into similar waivers of subrogation in favor of all other Subrogation Entities. Such waivers of subrogation shall be effective as to all Subrogation Entities even though such Subrogation Entities would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premiums directly or indirectly, and whether or not the Subrogation Entities had an insurable interest in the applicable liability. All policies of the Subrogation Entities shall provide this waiver of subrogation by endorsement or otherwise, except ibc shall have the option of not seeking a waiver of subrogation by endorsement from its own consultants

2. Compensation

2.1 The Client agrees to compensate ibc on the following basis:

Not to exceed 10% of the gross amount of each individual project. This is based on commencing our services September 2010 thru December 2012.

Should our services extend beyond these dates, ibc shall continue with Services using the contract approved rates unless directed to stop by The Client.

Hourly Rate – Principal Rate of **\$135 / hour** for services billed on a time and material basis, ~~respective of those solely for the purpose of creating Preliminary Budgets, Scope of work, and Bid documents for various properties, as requested by The Client.~~ These costs are separate from the gross construction management fee of 7%.

2.2 The Client will reimburse ibc for expenses incurred directly in connection with the Project(s), such as Property Inspection Reports, Site Plans, Architectural Fees, Reimbursables or Drawings, Plan Check fees, Engineering Fees, Site Survey, Deputy Inspections, Testing, Etc. This shall hold true whether or not a contract is executed for a particular Project.

3. Payment

3.1 The Client agrees to pay invoiced amounts within five days of the invoice submittal date based on the following payment terms; increments of 25% of the total contract sum, billable monthly from commencement of construction through project completion, until a total of 100% of the total contract sum is received. Invoices associated with Preliminary Budgets, Scope of work and Bid documents, including Reimbursables [i.e. Inspections Reports, Site Plans, etc.] are due in full upon receipt. Amounts unpaid more than a total of thirty days from the invoice submittal date shall accrue interest at the rate of Prime (as defined by Bank of America) per month until paid.

3.2 If payment is not made within forty-five days of the invoice date, ibc shall have the right to suspend the performance of services under this Agreement pending payment. Such suspension of services shall not be considered a breach of this Agreement.

4. Construction Cost

4.1 Estimates of construction cost, if requested from ibc, represent ibc's best judgment as a professional, but ibc does not warrant that bids, negotiated prices or completed construction costs will not vary from ibc's estimates or the project budget. No fixed limit of construction cost is established as a condition of this Agreement.

5. Client's Responsibilities

5.1 The Client shall provide ibc any reasonably requested information regarding the Project, including the program requirements, available plans, specifications and other documents describing the Project, as well as budget and schedule limitations.

5.2 ibc shall be entitled to rely upon the accuracy and completeness of any information furnished by the Client.

5.3 The Client agrees to provide prompt written notice to ibc's President if the Client becomes dissatisfied with ibc's performance or aware of any deficiency in ibc's service.

6. Ownership of Documentation of Services

6.1 Drawings, plans, specifications, studies, reports, memoranda, computation sheets or other documents prepared by ibc or its consultants under this Agreement shall remain ibc's property. However, the Client shall have the right to use such documents for the completion and maintenance of the Project, provided all payments under this Agreement have been made.

7. General Provisions

7.1 The Client agrees that ibc will have no involvement in or responsibility for the discovery, presence, removal or disposal of asbestos or other hazardous substances of any kind. If assistance in any form is required, then it shall be outlined in detail, in a subsequent amendment.

7.2 No third parties are intended to be beneficiaries of this Agreement.

7.3 This Agreement shall be deemed to be made in, and shall be construed in accordance with the laws of, the State of California.

7.4 ibc's financial liability is limited to the sum of the fees paid by the Client.

7.5 This Agreement represents the entire agreement between ibc and the Client and may be amended only in writing with the signature of both parties. Neither the Client nor ibc shall assign this Agreement without the written consent of the other.

7.6 ibc and the Client agree to submit disputes between them to non-binding mediation prior to seeking relief through formal legal action. The mediator shall be agreed to by both parties.

7.7 This Agreement may be terminated by either party with or without cause upon sixty days' written notice. In the event of termination, ibc shall receive payment for services performed and expenses incurred prior to the effective date of termination, including all expenses directly attributable to termination for which ibc is not otherwise compensated.

ibc, inc.

Burbank Housing Corporation

By:  Date: 10-21-10

Name: John G. McClelland
Title: Principal

By:  Date:

Name: Ms. Judith Arandes
Title: Executive Director

Exhibit "A"

PROJECT / CONSTRUCTION MANAGEMENT SERVICES Burbank Housing Corporation 2010

- Bi-weekly or as needed construction observation and update meeting at the site.
- Tracking critical path schedule and milestones based on the schedule
- Bi-weekly or as needed, photographs, progress reports and general observations via PDF.
- Review of project schedule of values, change order negotiations and payment applications to ensure payment is paid appropriately.
- Monitor subcontractor conditional / unconditional releases to ensure appropriate payments are made.
- Review deputy inspection reports and city inspection reports for compliance and advise accordingly.
- Meet at your offices as needed to provide in person updates.
- Attend "as needed" meetings, correspond via email and phone / fax as needed and be available promptly for assistance.
- Observe and comment on architectural modifications, deficiencies or concerns as needed.
- Provide and modify reports to meet your specific format or content requirements.
- Budget reviews and forecasting as possible.
- Review and monitor project conflicts related to current site conditions and advise or solicit solutions as possible.
- Review of project Request For Information [RFI's] and respond accordingly.
- Review of project Submittals for compliance, accuracy, and application.
- It is assumed that ibc will receive specific documents from Client, contractor and/or architect promptly and will allow access to the site, on site material, on site reports and data.